

CITY COURT OF
DENHAM SPRINGS - WARD TWO
REPORT ON AUDIT OF
COMPONENT UNIT FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **NOV 21 2012**

CONTENTS

Independent Auditor's Report.....	Page 1 - 2
Required Supplemental Information	
Management's Discussion and Analysis.....	3 - 7
Government-Wide Financial Statements:	
Statement of Net Assets.....	8
Statement of Activities.....	9
Fund Financial Statements:	
Balance Sheet - Governmental Fund.....	10
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets.....	11
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund.....	12 - 13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities.....	14
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - General Fund.....	15 - 16
Statement of Fiduciary Net Assets - Fiduciary Funds.....	17
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds.....	18 - 19
Notes to Financial Statements.....	20 - 28
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	29 - 30

2322 Tremont Drive • Baton Rouge, LA 70809
178 Del Orleans Avenue, Suite C • Denham Springs, LA 70726
3445 North Causeway Boulevard, Suite 536 • Metairie, LA 70001
Phone: 225.928.4770 • Fax: 225.926.0945
www.htbcpa.com

October 24, 2012

INDEPENDENT AUDITOR'S REPORT

Judge Charles W. Borde, Jr.
City Court of Denham Springs - Ward Two
Denham Springs, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund (General Fund), each fiduciary fund, and the budgetary comparison statement of the General Fund of the City Court of Denham Springs - Ward Two, (a component unit of the City of Denham Springs), as of and for the year ended June 30, 2012, which collectively comprise the Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Court. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Court's June 30, 2011 financial statements and, in our report dated October 3, 2011, we expressed unqualified opinions on the respective financial statements of the governmental activities, the major fund (General Fund), and the budgetary comparison for the General Fund.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund (General Fund), and each fiduciary fund of the City Court of Denham Springs - Ward Two as of June 30, 2012, and the budgetary comparison statement for the General Fund, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

City Court of Denham Springs - Ward Two
Denham Springs, Louisiana

In accordance with Government Auditing Standards, we have also issued our report dated October 24, 2012, on our consideration of the Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Respectfully submitted,

Harmon J. Bougeois, CPA



CHARLES W. BORDE, JR.
JUDGE

PEGGY G. HOOVER
CLERK OF COURT

City Court of Denham Springs

Ward Two - Parish of Livingston
State of Louisiana

400 MAYOR HERBERT HOOVER AVE.
DENHAM SPRINGS, LA 70728

PHONE (225) 665-6605
FAX (225) 664-2848

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of The City Court of Denham Springs – Ward Two's financial performance provides an overview of the City Court's financial activities for the year, which ended June 30, 2012. Please read it in conjunction with the Court's financial statements, which begin on, page 8.

FINANCIAL HIGHLIGHTS

Assets of the City Court exceeded its liabilities at the close of the most recent fiscal year by \$467,599. A decrease in net assets of \$36,479 or 8%. Of this amount \$344,962 (Unrestricted Net Assets) may be used to meet the Court's ongoing obligations.

The City Court's total program revenues were \$525,010 compared to \$519,268 in the prior year, an increase of \$5,742 or 1%.

Total expenses for the City Court during the year ending June 30, 2012 were \$576,827 compared to \$562,471 in the prior year, an increase of \$14,356 or 3%.

USING THIS ANNUAL REPORT

This report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (pages 8 and 9) provide information about the City Court's activities as a whole. The Balance Sheet for Governmental Funds (page 10) details the assets and liabilities of the governmental funds, while the Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets (page 11) shows why the amounts reported for governmental activities in the Statement of Net Assets are different. Pages 12 and 13 detail the revenues, expenditures and changes in fund balance of the governmental funds while the reconciliation (page 14) reconciles net changes in fund balances to changes in net assets of the Governmental Activities. Pages 15 and 16 reflect the differences in the final budget and actual amounts. Income increased in court fees due to an increase in the probation fees. Interest income once again decreased due to lower interest rates. Civil fees continue to increase due to the growth in our area and the efficiency we provide in serving the public in the area of civil filings. Then on pages 17, 18 and 19, basic fiduciary funds financial statements can be found, in which the City Court acts only as an agent or trustee for the benefit of agencies outside of the Court. Notes to Financial Statements as a form of explanation follow on pages 20 through 28. The City Court Judge is an independent elected official. However, since the City Court is dependent on the

City of Denham Springs to provide office space, a courtroom and related utility costs, as well as a portion of its salaries and related employee benefit costs, the City Court is determined to be a component unit of the City of Denham Springs. The accompanying financial statements only present information on the funds maintained by the City Court.

REPORTING THE FUNDS MAINTAINED BY THE CITY COURT AS A WHOLE

THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES

Our analysis of the funds maintained by the City Court as a whole begins on page 8. The Statement of Net Assets and the Statement of Activities report information about the funds maintained by the City Court as a whole and about its activities in a way which helps answer one of the most important questions asked about the City Court's finances, "Is the City Court, as a whole, better off or worse off as a result of the year's activities?" These statements include all assets and liabilities using the accrual basis of accounting used by most private sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when the cash was received or paid.

These two statements report the City Court's net assets and the changes in them. These net assets, the difference between the assets and the liabilities, is one way to measure the City Court's financial position or financial health and over time, increases or decreases in the net assets are one indicator of whether its financial health is improving or deteriorating.

We record the funds maintained by the City Court as governmental activities in the Statement of Net Assets and the Statement of Activities.

All of the expenses paid from the funds maintained are reported here as governmental activities and consist primarily of salaries, fees paid and benefits, office expenses, contract services, memberships and educational conferences and grants. Fines and fees and operating grants and contributions from the City of Denham Springs and the Livingston Parish Council finance most of the activities of the Court.

REPORTING THE MOST SIGNIFICANT FUNDS MAINTAINED BY THE CITY COURT

The analysis of the major fund maintained by the City Court begins on page 12 and provides detailed information about the revenues and expenditures of this most significant fund.

All of the City Court's expenses are reported in governmental funds, which focus on how money flows into and out of these funds and the balances left at year end which are available for spending. These funds are reported using the modified accrual method, which measures cash and all other assets that could be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City Court general operations and the expenses paid from these funds. The information in the governmental funds help determine if there are more or less financial resources to finance future City Court expenses.

THE CITY COURT AS A TRUSTEE

The City Court is a trustee for agency funds for its civil division, collection of restitution funds and criminal division. Since these funds are simply held for other parties and cannot be used for any of the Court activities, they are not included in the government-wide statement but are separately reported in the statement of the fiduciary funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of an entity's financial position. The City Court's total net assets changed from a year ago, decreasing from \$504,078 to \$467,599. The comparative analysis is presented below.

By far the largest portion of the Court's net assets (95 percent) is in cash and cash equivalents. Because of this, the Court is able to take advantage of new technology in an effort to provide services to the public in the most efficient and effective manner.

TABLE I
Total Net Assets

	<u>2012</u>	<u>2011</u>
Current Assets	\$ 448,327	\$ 482,631
Capital Assets	<u>29,227</u>	<u>30,644</u>
Total Assets	477,554	513,275
Current Liabilities	9,955	9,197
Net Assets:		
Investments in Capital Assets	29,227	30,644
Restricted Civil Funds	93,410	86,334
Unrestricted	<u>344,962</u>	<u>387,100</u>
Total Net Assets	<u>\$ 467,599</u>	<u>\$ 504,078</u>

Net assets of the funds maintained by the City Court's governmental activities decreased by \$36,479 over the prior year. Unrestricted net assets, the part of net assets that can be used to finance City Court expenses without constraints or other legal requirements decreased by \$42,138 from \$387,100 at June 30, 2011 to \$344,962 at June 30, 2012.

TABLE 2
Change in Net Assets
Governmental Activities

	<u>2012</u>	<u>2011</u>
Revenues:		
Program Revenues		
Fines and Fees and Operating Grants and Contributions	\$ 525,010	\$ 519,268
Interest Income and Miscellaneous	<u>15,338</u>	<u>14,146</u>
Total Revenues	540,348	533,414
Expenses:		
General Governmental - Judicial	<u>576,827</u>	<u>562,471</u>
Increase (Decrease) in Net Assets	<u>\$ (36,479)</u>	<u>\$ (29,057)</u>

During the fiscal year that ended June 30, 2012 court cost and fees received increased by \$5,742, as previously stated, due to an increase in the Court costs collected. Civil filings were down slightly this year causing a minor decrease in those revenues in the amount of \$5,476.

Expenses, excluding depreciation expense of \$10,888, increased by \$13,843 approximately 3%, attributable to increased salaries and benefits and contract services.

GENERAL FUND BUDGETARY HIGHLIGHTS

As explained above, over all expenses were up due to increases in several areas. Some of which can be attributed to inflation, rising costs of employee retirement and insurance. Increased revenue in Court fees are directly related to an increase in court cost and probation fees.

CAPITAL ASSETS

Major additions to the capital assets this year included a new recording system for the Court room and the addition of a security wall in the Courtroom.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City Court's management considered many factors when setting the operating budget for the fiscal year ending June 30, 2013. Increased revenues as the population of our jurisdiction increases are expected to raise revenues in the next fiscal year. In the coming year revenues should continue to increase from court cost on traffic and criminal charges. No large additions to capital assets are anticipated for the coming year so there should be an excess of revenues over expenditures. Anticipated revenues will be approximately \$560,000, while anticipated expenditures will be approximately \$552,000. Therefore, the total governmental fund balance is expected to increase by approximately \$8,000.

CONTACTING THE CITY COURT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview for the funds maintained by the City Court and to show the City Court's accountability for the money it receives. If you have any questions or need additional financial information, contact Denham Springs City Court, Clerk of Court/Judicial Administrator's office at 400 Mayor Herbert Hoover Avenue, Denham Springs, Louisiana 70726.

A handwritten signature in black ink, appearing to read 'Peggy G. Hoover', with a long, sweeping horizontal line extending to the right.

Peggy G. Hoover
Clerk of Court/Judicial Administrator

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY COURT OF DENHAM SPRINGS - WARD TWO

STATEMENT OF NET ASSETS

JUNE 30, 2012

(With Comparative Totals as of June 30, 2011)

ASSETS

	Governmental Activities	
	2012	2011
Cash and Cash Equivalents	\$ 200,837	\$ 236,290
Investment (Certificates of Deposit - Maturity Greater Than 90 Days)	245,510	245,324
Receivables, Net	1,980	1,017
Capital Assets (Net of Accumulated Depreciation)	29,227	30,644
Total Assets	<u>\$ 477,554</u>	<u>\$ 513,275</u>

LIABILITIES

Accounts Payable	\$ 743	\$ 434
Payroll Taxes Payable	63	52
Long-Term Liabilities Due Within One Year	<u>9,149</u>	<u>8,711</u>
Total Liabilities	<u>9,955</u>	<u>9,197</u>

NET ASSETS

Investment in Capital Assets	29,227	30,644
Restricted Civil Fees	93,410	86,334
Unrestricted	<u>344,962</u>	<u>387,100</u>
Total Net Assets	<u>467,599</u>	<u>504,078</u>
Total Liabilities and Net Assets	<u>\$ 477,554</u>	<u>\$ 513,275</u>

The accompanying notes constitute an integral part of this statement.

CITY COURT OF DENHAM SPRINGS - WARD TWO

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for the Year Ended June 30, 2011)

	<u>Governmental Activities</u>	
<u>Governmental Activities:</u>	<u>2012</u>	<u>2011</u>
Expenses:		
Judicial:		
Salaries, Fees Paid and Benefits	\$ 489,687	\$ 477,062
Office Expenses	37,011	40,357
Contract Services	16,003	12,662
Memberships and Educational Conferences	23,238	22,015
Depreciation	10,888	10,375
Total Expenses	576,827	562,471
Program Revenues:		
Fines and Fees	450,137	444,395
Operating Grants and Contributions	74,873	74,873
Net Program Revenues (Expenses)	(51,817)	(43,203)
General Revenues:		
Interest Income	4,737	6,188
Miscellaneous	10,601	7,958
Total General Revenues	15,338	14,146
Change in Net Assets	(36,479)	(29,057)
Net Assets - Beginning of Year	504,078	533,135
Net Assets - End of Year	\$ <u>467,599</u>	\$ <u>504,078</u>

The accompanying notes constitute an integral part of this statement.

FUND FINANCIAL STATEMENTS

CITY COURT OF DENHAM SPRINGS - WARD TWO

BALANCE SHEET - GOVERNMENTAL FUND

JUNE 30, 2012

(With Comparative Totals as of June 30, 2011)

	General Fund	
	2012	2011
ASSETS		
Cash and Cash Equivalents	\$ 200,837	\$ 236,290
Investment (Certificates of Deposit - Maturity Greater Than 90 Days)	245,510	245,324
Accounts Receivable - Other	<u>1,980</u>	<u>1,017</u>
Total Assets	<u>\$ 448,327</u>	<u>\$ 482,631</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 743	\$ 434
Payroll Taxes Payable	<u>63</u>	<u>52</u>
Total Liabilities	806	486
Fund Balance:		
Restricted Civil Fees	93,410	86,334
Unassigned	<u>354,111</u>	<u>395,811</u>
Total Fund Balance	<u>447,521</u>	<u>482,145</u>
Total Liabilities and Fund Balances	<u>\$ 448,327</u>	<u>\$ 482,631</u>

The accompanying notes constitute an integral part of this statement.

CITY COURT OF DENHAM SPRINGS - WARD TWO

RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET ASSETS

JUNE 30, 2012

(With Comparative Totals as of June 30, 2011)

	<u>2012</u>	<u>2011</u>
Fund Balance - Total Governmental Fund	\$ 447,521	\$ 482,145
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		
Governmental Capital Assets	246,080	236,609
Less: Accumulated Depreciation	<u>(216,853)</u>	<u>(205,965)</u>
	29,227	30,644
Long-Term Liabilities are not Due and Payable in the Current Period and Therefore are not Reported in the Governmental Funds:		
Compensated Absences	<u>(9,149)</u>	<u>(8,711)</u>
Net Assets of Governmental Activities	<u>\$ 467,599</u>	<u>\$ 504,078</u>

The accompanying notes constitute an integral part of this statement.

CITY COURT OF DENHAM SPRINGS - WARD TWO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND

FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals For The Year Ended June 30, 2011)

	Total Governmental Fund	
	2012	2011
Revenues:		
Charges for Services:		
Court Costs	\$ 285,445	\$ 278,318
Civil Fees	95,186	100,662
Probation and Continuance Fees	60,884	53,767
Drivers' License Reinstatement Fees	7,600	8,500
Appealed Case Fees/Transcripts	692	2,210
Adoption Case Fees	330	938
	<u>450,137</u>	<u>444,395</u>
Intergovernmental Revenues -		
On-Behalf Payments	28,013	28,013
Primary Government - City of Denham Springs	46,860	46,860
Interest Income	4,737	6,188
Miscellaneous	10,601	7,958
	<u>540,348</u>	<u>533,414</u>
Total Revenues		
Expenditures:		
Judicial:		
Salaries, Fees Paid and Benefits:		
Salaries	312,981	305,207
Civil Fees Paid	58,996	58,461
Employee Group Insurance	45,833	49,950
Payroll Tax Expense	24,691	24,026
Retirement Expense	46,748	40,933
	<u>489,249</u>	<u>478,577</u>
Office Expenses:		
Office Supplies and Printed Forms	18,546	17,305
Telephone	8,031	7,962
Postage	6,924	7,000
Microfilm	-	4,344
Insurance	1,501	1,700
Uniforms	2,009	2,046
	<u>37,011</u>	<u>40,357</u>

(CONTINUED)

CITY COURT OF DENHAM SPRINGS - WARD TWO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND - (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012
 (With Comparative Totals For The Year Ended June 30, 2011)

	Total	
	Governmental Fund	
	2012	2011
Contract Services:		
Professional Fees	5,975	5,800
Maintenance Agreement	2,798	2,646
Maintenance and Repair	2,133	2,531
Transcriptions/Appeals	1,015	1,015
Software Update	4,082	670
	<u>16,003</u>	<u>12,662</u>
Memberships and Educational Conferences:		
Membership Dues and Subscriptions	9,521	8,684
Educational Conferences and Seminars	13,717	13,331
	<u>23,238</u>	<u>22,015</u>
Capital Outlay	<u>9,471</u>	<u>3,496</u>
Total Expenditures	<u>574,972</u>	<u>557,107</u>
Excess (Deficiency) of Revenues Over Expenditures	(34,624)	(23,693)
Fund Balance - Beginning of Year	<u>482,145</u>	<u>505,838</u>
Fund Balance - End of Year	\$ <u>447,521</u>	\$ <u>482,145</u>

The accompanying notes constitute an integral part of this statement.

CITY COURT OF DENHAM SPRINGS - WARD TWO

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for the Year Ended June 30, 2011)**

	<u>2012</u>	<u>2011</u>
Net Change in Fund Balance - Total Governmental Fund	\$ (34,624)	\$ (23,693)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded (was less than) depreciation expense in the current period.	(1,417)	(6,879)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
(Increase) Decrease in Compensated Absences Payables	<u>(438)</u>	<u>1,515</u>
Change in Net Assets of Governmental Activities	\$ <u>(36,479)</u>	\$ <u>(29,057)</u>

The accompanying notes constitute an integral part of this statement.

CITY COURT OF DENHAM SPRINGS - WARD TWO

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND**

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
Revenues:				
Charges for Services:				
Court Costs	\$ 310,000	\$ 282,465	\$ 285,445	\$ 2,980
Civil Fees	105,000	95,075	95,186	111
Probation and Continuance Fees	65,000	61,100	60,884	(216)
Drivers' License Reinstatement Fees	8,500	7,580	7,600	20
Appealed Case Fees/Transcripts	2,000	675	692	17
Adoption Case Fees	850	325	330	5
	<u>491,350</u>	<u>447,220</u>	<u>450,137</u>	<u>2,917</u>
Intergovernmental Revenues -				
On-Behalf Payments	28,013	28,013	28,013	-
Primary Government - City of Denham Springs	46,860	46,860	46,860	-
Interest Income	6,000	4,500	4,737	237
Miscellaneous	11,000	10,305	10,601	296
	<u>583,223</u>	<u>536,898</u>	<u>540,348</u>	<u>3,450</u>
Expenditures:				
Judicial:				
Salaries, Fees Paid and Benefits:				
Salaries	324,013	315,898	312,981	2,917
Civil Fees Paid	49,160	52,210	58,996	(6,786)
Employee Group Insurance	51,835	47,350	45,833	1,517
Payroll Tax Expense	26,000	21,975	24,691	(2,716)
Retirement Expense	48,000	46,685	46,748	(63)
	<u>499,008</u>	<u>484,118</u>	<u>489,249</u>	<u>(5,131)</u>
Office Expenses:				
Office Supplies and Printed Forms	18,000	18,030	18,546	(516)
Telephone	8,000	8,075	8,031	44
Postage	7,000	6,975	6,924	51
Miscellaneous	100	-	-	-
Insurance	-	-	1,501	(1,501)
Uniforms	1,500	2,010	2,009	1
	<u>34,600</u>	<u>35,090</u>	<u>37,011</u>	<u>(1,921)</u>

(CONTINUED)

CITY COURT OF DENHAM SPRINGS - WARD TWO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND - (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Contract Services:				
Professional Fees	6,000	5,975	5,975	-
Maintenance Agreement	2,500	2,845	2,798	47
Maintenance and Repair	2,500	5,325	2,133	3,192
Transcriptions/Appeals	1,500	1,015	1,015	-
Software Update	-	4,060	4,082	(22)
	12,500	19,220	16,003	3,217
Memberships and Educational Conferences:				
Membership Dues and Subscriptions	7,500	9,475	9,521	(46)
Educational Conferences and Seminars	14,300	13,715	13,717	(2)
	21,800	23,190	23,238	(48)
Capital Outlay	7,500	6,280	9,471	(3,191)
Total Expenditures	575,408	567,898	574,972	(7,074)
Excess (Deficiency) of Revenues Over Expenditures	7,815	(31,000)	(34,624)	(3,624)
Fund Balance - Beginning of Year	482,145	482,145	482,145	-
Fund Balance - End of Year	\$ 489,960	\$ 451,145	\$ 447,521	\$ (3,624)

The accompanying notes constitute an integral part of this statement.

CITY COURT OF DENHAM SPRINGS - WARD TWO

STATEMENT OF FIDUCIARY NET ASSETS -
FIDUCIARY FUNDS

JUNE 30, 2012
(With Comparative Totals As Of June 30, 2011)

		<u>Agency Funds</u>	
		<u>2012</u>	<u>2011</u>
ASSETS			
Cash		\$ 324,489	\$ 280,866
Total Assets		<u>\$ 324,489</u>	<u>\$ 280,866</u>
LIABILITIES			
Accounts Payable		\$ 100	\$ 100
Bonds Payable in Advance of Trial		<u>324,389</u>	<u>280,766</u>
Total Liabilities		<u>\$ 324,489</u>	<u>\$ 280,866</u>

The accompanying notes constitute an integral part of this statement.

CITY COURT OF DENHAM SPRINGS - WARD TWO

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -
FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for the Year Ended June 30, 2011)

	<u>Agency Funds</u>			<u>Total Agency Funds</u>	
	<u>Civil Docket</u>	<u>Criminal Docket</u>	<u>Restitution</u>	<u>2012</u>	<u>2011</u>
Additions:					
Fines and Bonds Collected	\$ 268,318	\$ 1,812,773	\$ -	\$ 2,081,091	\$ 2,151,715
Restitution Received	-	-	13,399	13,399	5,001
Interest Income	336	237	1	574	630
Total Additions	268,654	1,813,010	13,400	2,095,064	2,157,346
Deductions:					
Fines Disbursed to					
City of Denham Springs - General	-	597,608	-	597,608	644,512
Fines Disbursed to Parish Council -					
General	-	41,798	-	41,798	41,750
General Fund Court Costs	-	285,445	-	285,445	278,318
General Fund - Probation and					
Continuance Fees	-	61,054	-	61,054	58,439
Public Service Court Costs	-	3,859	-	3,859	5,469
Witness Fee Court Costs	-	22,682	-	22,682	23,879
Marshall's Office Court Costs	-	327,490	-	327,490	345,378
District Attorney Fees	-	13,996	-	13,996	14,753
Bonds and Fines Refunded	-	16,910	-	16,910	15,950
Law Enforcement Training	-	1,789	-	1,789	1,775
Miscellaneous	374	327	-	701	868
Reparations Fund	-	6,728	-	6,728	7,356
Indigent Defenders' Board	-	295,892	-	295,892	311,399
Marshall's Fees	50,321	-	-	50,321	52,545
Recording Fees	29,340	-	-	29,340	20,195
Restitution Paid to Victims	-	-	13,399	13,399	5,001
Court Cost Refunds	35,465	-	-	35,465	31,126

(CONTINUED)

CITY COURT OF DENHAM SPRINGS - WARD TWO

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -
FIDUCIARY FUNDS - (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for the Year Ended June 30, 2011)

	<u>Agency Funds</u>			<u>Total Agency Funds</u>	
	<u>Civil Docket</u>	<u>Criminal Docket</u>	<u>Restitution</u>	<u>2012</u>	<u>2011</u>
Deductions (Continued):					
Judge's Fees Earned	95,186	-	-	95,186	100,662
Serving Citations	27,514	-	-	27,514	27,766
Judges Supplemental Compensation Fund	29,788	-	-	29,788	30,466
Interest Transfers to General Fund	336	237	1	574	630
Adoption Case Fees Transfers to General Fund	330	-	-	330	938
Juvenile Justice Committee	-	47,310	-	47,310	49,038
State Analysis Fee	-	125	-	125	250
Analysis Fees	-	4,008	-	4,008	5,597
Trial Court Case Management Information System	-	25,438	-	25,438	19,264
Louisiana Traumatic Head and Spinal Cord Injury Trust Fund	-	18,000	-	18,000	21,940
Judgment of Bond Forfeitures	-	7,978	-	7,978	5,849
Baton Rouge Crime Stoppers	-	18,700	-	18,700	19,284
Sex Registry	-	15,636	-	15,636	16,949
Total Deductions	<u>268,654</u>	<u>1,813,010</u>	<u>13,400</u>	<u>2,095,064</u>	<u>2,157,346</u>
Change in Net Assets	-	-	-	-	-
Net Assets - Beginning of Year	-	-	-	-	-
Net Assets - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes constitute an integral part of this statement.

CITY COURT OF DENHAM SPRINGS - WARD TWO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

Note 1 - Summary of Significant Accounting Policies -

The City Court of Denham Springs - Ward Two (the "Court"), Parish of Livingston, Louisiana was established in accordance with Louisiana Statute 13:1872 A(1) by resolution of the Denham Springs Mayor and Council on June 24, 1968. The Court collects fines on behalf of Ward Two in Livingston Parish which includes the City of Denham Springs and a portion of Livingston Parish and remits these fines to the same, after deducting court costs therefrom for operation of the Court and Marshall's offices.

A. Financial Reporting Entity

For reporting purposes, the City of Denham Springs, Louisiana serves as the financial reporting entity for both the municipality (City of Denham Springs) and for the Ward II Court System. The financial reporting entity consists of (1) the primary government (all funds under the auspices of the Mayor and Council of the City of Denham Springs), (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14, the Financial Reporting Entity, established criteria for determining which component units should be considered part of the City of Denham Springs for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the City governing authority (Mayor and Council) appoints a majority of board members of the potential component unit.
3. Fiscal interdependency between the City and the potential component unit.
4. Imposition of will by the City on the potential component unit.
5. Financial benefit/burden relationship between the City and the potential component unit.

CITY COURT OF DENHAM SPRINGS - WARD TWO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

Based on the previous criteria, City Management has included the City Court of Denham Springs-Ward Two as a component unit of the City of Denham Springs. Since the Judge of the Court is an elected official and has certain statutorily defined sources of funds for his own operating and/or capital budget discretion, the funds of the City Court of Denham Springs - Ward Two will be discretely presented in the City of Denham Springs government-wide financial statements for the year ended June 30, 2012.

B. Basis of Presentation

Basic Financial Statements - Government-Wide Statements

The Court's basic financial statements include both government-wide (reporting the Court as a whole) and fund financial statements (reporting the Court's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. There were no activities of the Court categorized as a business type activity.

In the government-wide Statement of Net Assets, the governmental activity column (a) is presented on a consolidated basis by column, (b) and is reported on a full accrual, economic resource basis.

The government-wide Statement of Activities reports both the gross and net cost of the Court's function. The Statement of Activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while capital grants reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (interest and investment earnings, etc).

The Court does not allocate indirect costs.

This government-wide focus is more on the sustainability of the Court as an entity and the change in the Court's net assets resulting from the current year's activities.

CITY COURT OF DENHAM SPRINGS - WARD TWO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

Basic Financial Statements - Fund Financial Statements

The financial transactions of the Court are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements.

The Court uses the following fund types:

Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the Court:

- 1) The General Fund is the general operating fund of the Court. It is used to account for all financial resources except those required to be accounted for in another fund.

Fiduciary Funds:

Agency Funds - Agency Funds are used to account for assets held by the Court in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency Funds consist of the Civil Docket, Criminal Docket and the Restitution funds. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities of the Court, these funds are not incorporated into the government-wide statements.

C. Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

CITY COURT OF DENHAM SPRINGS - WARD TWO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

1. Accrual -

The governmental activities in the government-wide financial statements and the fiduciary funds financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Revenues of the Court consist principally of interest income and fines and fees for services relating to court filings. Interest income is recorded when earned. Fines and fees for services are recorded when received in cash because they are generally not measurable until actually received.

2. Modified Accrual -

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means that the amount of the transaction can be determined and "available" means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all governmental fund type revenues. Expenditures are recorded when the related fund liability is incurred. Depreciation is not recognized in the Governmental Fund financial statements.

D. Capital Assets

Capital assets are reported in the government-wide financial statements at historical cost. Additions, improvements or other capital outlays that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on a straight line basis over the following estimated useful lives:

Computer equipment	5 years
Office furniture and equipment	5 to 10 years
Office improvements	20 years

E. Budgets and Budgetary Accounting

The proposed budget for the General Fund of the Court, prepared on the modified accrual basis of accounting by the Clerk of the Court, was adopted by the Court on May 14, 2011, for the fiscal year ended June 30, 2012. All appropriations lapse at year-end. The original budget adopted May 14, 2011 was amended on June 13, 2012.

CITY COURT OF DENHAM SPRINGS - WARD TWO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

F. Accumulated Unpaid Vacation and Sick Pay

Employees who have been employed by the City Court of Denham Springs - Ward Two earn 10 days of vacation leave each year. Vacation days must be used by December 31, no carryover of vacation days is allowed. The Court's employees earn 10 days of sick leave each year. Sick time is not to be carried over, it must all be used by December 31.

G. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

H. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets. At June 30, 2012, the Court had no outstanding debt.

I. Fund Balance

The Court has adopted GASB Statement No. 54 which redefined how fund balances are presented in fund financial statements. In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of the state or federal laws, or externally imposed conditions by grantors or creditors.

Committed - Amounts that can only be used for specific purposes determined by a formal action of the Court. These amounts cannot be used for any other purpose unless the Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.

Assigned - Amounts that are designated as committed by the Court but are not spendable until a budget ordinance is passed.

CITY COURT OF DENHAM SPRINGS - WARD TWO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

Unassigned - All amounts not included in other spendable classifications.

The details of the fund balances are included in the Balance Sheet - Governmental Funds (page 10). As noted above, restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the Court or the Assignment has been changed by the Court. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned becomes zero, then Assigned and Committed Fund Balances are used in that order.

Note 2 - Interest Earned -

The Civil and Criminal Dockets, and the Restitution Fund have placed funds in interest-bearing accounts. Since the Dockets operate in a fiduciary capacity and are not required to pay interest on bonds paid in advance of trial, interest income is transferred to the General Fund and used for operations of the Court.

Note 3 - Deposits and Investments -

For reporting purposes, cash and cash equivalents include cash, demand deposits, and time certificates of deposit with maturities of 90 days or less. Investments include certificates of deposit with maturities over 90 days. Under state law the Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, any other state in the union, or under the laws of the United States. Further, the Court may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At June 30, 2012, the carrying amount of the Court's Cash and Cash Equivalents totaled \$770,836, and the confirmed bank balances were \$816,166. Cash and cash equivalents are stated at cost, which approximates market. These deposits must be secured under state law by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are to be held in the name of the pledging bank in a custodial bank that is mutually acceptable to the parties involved. The cash and cash equivalents at June 30, 2012, were secured as follows:

CITY COURT OF DENHAM SPRINGS - WARD TWO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

Deposits in Bank Accounts

	<u>Governmental Funds</u>	<u>Agency Funds</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Deposits in Bank Accounts per Balance Sheet	\$ 200,837	\$ 324,489	\$ 245,510	\$ 770,836
Bank Balances (Category 3 Only):				
a. Uninsured and Uncollateralized	\$ -	\$ -	\$ -	\$ -
b. Uninsured and Collateralized with Securities Held by the Pledging Institution	-	-	-	-
c. Uninsured and Collateralized with Securities Held by the Pledging Institution's Trust Department or Agent, but not in the Entities Name	<u>31,302</u>	<u>62,443</u>	<u>-</u>	<u>93,745</u>
Total Category 3 Bank Balances	\$ 31,302	\$ 62,443	\$ -	\$ 93,745
Total Bank Balances (Regardless of Category)	<u>\$ 211,423</u>	<u>\$ 359,233</u>	<u>\$ 245,510</u>	<u>\$ 816,166</u>

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Court's deposits may not be returned to it. As of June 30, 2012, \$93,745 of the Court's bank balance of \$816,166 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entities name.

CITY COURT OF DENHAM SPRINGS - WARD TWO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

Note 4 - Changes in Capital Assets -

Capital asset activity for the year ended June 30, 2012 is as follows:

<u>Governmental Activities</u>	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
Equipment:				
Copier	\$ 11,018	\$ -	\$ -	\$ 11,018
Telephone System	11,171	-	-	11,171
Furniture and Fixtures	26,579	-	-	26,579
Computer Equipment	138,746	430	-	139,176
Police Equipment	4,273	-	-	4,273
Leasehold Improvements	15,696	-	-	15,696
Other Equipment	<u>29,126</u>	<u>9,041</u>	<u>-</u>	<u>38,167</u>
Totals	236,609	9,471	-	246,080
Less Accumulated Depreciation for:				
Equipment:				
Copier	11,019	-	-	11,019
Telephone System	11,170	-	-	11,170
Furniture and Fixtures	24,082	1,052	-	25,134
Computer Equipment	118,790	6,667	-	125,457
Police Equipment	4,273	-	-	4,273
Leasehold Improvements	9,421	785	-	10,206
Other Equipment	<u>27,210</u>	<u>2,384</u>	<u>-</u>	<u>29,594</u>
Total Accumulated Depreciation	<u>205,965</u>	<u>10,888</u>	<u>-</u>	<u>216,853</u>
Capital Assets, Net	<u>\$ 30,644</u>	<u>\$ (1,417)</u>	<u>\$ -</u>	<u>\$ 29,227</u>

Depreciation expense was charged to governmental activities as follows:

Judicial Expenses	<u>\$ 10,888</u>
-------------------	------------------

Note 5 - Postretirement Health Care and Life Insurance Benefits -

At June 30, 2012, the Court has no postretirement health care and life insurance benefit plan in existence.

CITY COURT OF DENHAM SPRINGS - WARD TWO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

Note 6 - Retirement Commitments -

Employees of the City Court of Denham Springs - Ward Two may elect to be members of the Parochial Employees' Retirement System of Louisiana - Plan "B", a multiple-employer public employee retirement system. Contributions to the system are made by both employees and the Court's office as a percentage of salaries. Beginning January 1, 2010, the contribution rate for the employer was 10.00% of covered earnings and the rate for the employee was 3.00% of covered earnings. The City Court of Denham Springs - Ward Two contributed \$27,114 to the system during the year. Data concerning the actuarial status of the system at June 30, 2012, is not currently available.

Employees of the Court whose salary is reimbursed by the City of Denham Springs, are also covered by the Municipal Employees' Retirement System of Louisiana - Plan "B", also a multiple-employer public employee retirement system. Contributions to the system are made by both employees and the City of Denham Springs as a percentage of salaries. The City of Denham Springs reimbursed \$873 to the Court during the year on behalf of the Court and this amount is included in these financial statements. Data concerning the actuarial status of the system at June 30, 2012, is not currently available.

All employees of the Court, with the exception of the Judge, are also covered by the Social Security System. The Court contributed \$23,954 to the System in fiscal year 2012, as its share of employer contributions.

The Judge is a member of the Louisiana State Employees Retirement System. Contributions to the system are made by the Judge and the Court as a percentage of salary. The Court contributed \$18,761 to the system during the year. Data concerning the actuarial status of the system at June 30, 2012 is not currently available.

Note 7 - On-Behalf Payments for Salaries and Benefits -

The Court follows GASB Statement No. 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance." This standard requires the Court to report in the financial statements on-behalf salary and fringe benefit payments made by the Livingston Parish Council to the Court's employees.

Supplementary salary payments are made by the Parish Council directly to the Court's employees. The Court is not legally responsible for these salary supplements. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the Parish Council. For the fiscal year ended June 30, 2012 the Parish Council made supplementary salary and benefit payments of \$28,013 to the City Court's employees.

As an elected official, the Judge statutorily receives a portion of his compensation directly from the City of Denham Springs, the Livingston Parish Council, and the State of Louisiana. As the Judge considers himself to be employed by the State of Louisiana, his compensation is not reflected in these financial statements.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

2322 Tremont Drive • Baton Rouge, LA 70809
178 Del Orleans Avenue, Suite C • Denham Springs, LA 70726
3445 North Causeway Boulevard, Suite 536 • Metairie, LA 70001
Phone: 225.928.4770 • Fax: 225.926.0945
www.htbcpa.com

October 24, 2012

Judge Charles W. Borde, Jr.
City Court of Denham Springs - Ward Two
Denham Springs, Louisiana

We have audited the financial statements of the governmental activities, the major fund (General Fund), and each fiduciary fund of the City Court of Denham Springs - Ward Two, (a component unit of the City of Denham Springs), as of and for the year ended June 30, 2012, and have issued our report thereon dated October 24, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Court is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Court's internal control over financial reporting.

*A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A **material weakness** is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.*

City Court of Denham Springs - Ward Two
Denham Springs, Louisiana

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the City Court's management and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document, and its distribution is not limited.

Respectfully submitted,

Hannu J. Bourgeois, CPA